



# News Release

**Financial Accounting Standards Board**

401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116 (203) 847-0700  
Fax: (203) 849-9714



**International  
Accounting Standards  
Board®**

**FASB Contact: Sheryl Thompson  
(203) 847-0700, Ext. 268**

**IASB Contact: Tom Seidenstein  
+44 (0) 20 7246 6450**

**For Immediate Release**

## **FASB and IASB Agree to Work Together toward Convergence of Global Accounting Standards**

**LONDON, United Kingdom, October 29, 2002**—The Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) have issued a memorandum of understanding, marking a significant step toward formalizing their commitment to the convergence of U.S. and international accounting standards. The FASB and IASB presented the agreement to the chairs of leading national standard setters at a two-day meeting being held in London. The agreement between the FASB and IASB represents their latest commitment, following their September joint meeting, to adopt compatible, high-quality solutions to existing and future accounting issues. A copy of the memorandum is attached.

The agreement follows the decisions recently reached by both Boards to add a joint short-term convergence project to their active agendas. The joint short-term convergence project will require both Boards to use their best efforts to propose changes to U.S. and international accounting standards that reflect common solutions to certain specifically identified differences. Working within each Board's due process procedures, the FASB and IASB expect to issue an Exposure Draft to address some, and perhaps all, of those identified differences by the latter part of 2003. The elimination of those differences, together with the commitment by both Boards to eliminate or reduce remaining differences through continued progress on joint projects and coordination of future work programs, will improve comparability of financial statements across national jurisdictions.

Robert H. Herz, Chairman of the FASB, commented, "The FASB is committed to working toward the goal of producing high-quality reporting standards worldwide to support healthy global capital markets. By working with the IASB on the short-term convergence project—as well as on longer-term issues—the chances of success are greatly improved. Our agreement provides a clear path forward for working together to achieve our common goal."

-MORE-

Hailing the agreement, Sir David Tweedie, Chairman of the IASB, remarked, "This underscores another significant step in our partnership with national standard setters to reach a truly global set of accounting standards. While we recognize that there are many challenges ahead, I am extremely confident now that we can eliminate major differences between national and international standards, and by drawing on the best of U.S. GAAP, IFRSs and other national standards, the world's capital markets will have a set of global accounting standards that investors can trust."

### **About the Financial Accounting Standards Board**

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting in the United States. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit its website at [www.fasb.org](http://www.fasb.org).

### **About the International Accounting Standards Board**

The International Accounting Standards Board, based in London, began operations in 2001 taking over from the former part-time IASC founded in 1973. It is funded by contributions from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks and other international and professional organizations. The 14 Board members (12 of whom are full-time) reside in nine countries and have a variety of functional backgrounds. The IASB is committed to developing, in the public interest, a single set of high-quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB cooperates with national accounting standard setters to achieve convergence in accounting standards around the world. For more information about the IASB, visit its website at [www.iasb.org.uk](http://www.iasb.org.uk).

###